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March 19, 2014

To: Supervisor Don Knabe, Chairman
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From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains Pursuits of County Positions on the following legislation:

- **AB 966 (Bonta).** This measure would require the California Department of Corrections and Rehabilitation to develop a five-year plan to extend the availability of condoms in all California prisons. Therefore, unless otherwise directed by the Board, consistent with existing policy to support proposals to promote HIV/AIDS policy in State correctional and incarceration facilities consistent with accepted public health standards, and upgrade and expand HIV counseling, testing, prevention, education, outreach, care, treatment, and transitional services for prisoners living with HIV/AIDS, **the Sacramento advocates will support AB 966.**
- **AB 1435 (Gatto).** This measure would remove the sunset provisions of motion picture tax credits, thereby extending the existing tax credits indefinitely. Therefore, unless otherwise directed by the Board, consistent with existing policy to support measures that promote economic incentives as a means of creation, attraction, and retention of business, including small business, in the County, **the Sacramento advocates will support AB 1435.**

"To Enrich Lives Through Effective And Caring Service"

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Pursuit of County Position on Legislation

AB 966 (Bonta), which as amended on January 6, 2014, would require the California Department of Corrections and Rehabilitation (CDCR) to develop a five-year plan to extend the availability of condoms in all California prisons.

Existing law makes it a crime for inmates to engage in sexual activity at State prisons or correctional facilities. Existing law also declares that the spread of HIV/AIDS within prison and jail populations presents a grave danger to inmates within those populations, law enforcement personnel, and any other persons who may come in contact with a prisoner infected with the AIDS virus regardless of whether or not that contact occurs during or after the prisoner's confinement.

In November 2008, CDCR initiated a 12-month condom distribution pilot project at Solano State Prison. The objective of the Solano State Prison pilot project was to determine the practicality and safety of condom distribution in a State prison facility. As part of the pilot project, the Center for Health Justice, an organization focused on health promotion, disease prevention, and treatment among incarcerated and recently released individuals and their family and partners, provided wall-mounted condom dispensing machines and condoms for prison inmates. The Center also provided staff and inmate education.

Following completion of the 12-month pilot project, a task force convened by CDCR released its findings in a report titled: "Evaluation of a Prisoner Condom Access Pilot Program Conducted in One California State Prison Facility." The task force found no evidence that providing condoms at Solano State Prison posed a heightened risk to the safety, security, and/or well-being of staff or inmates located at the facility. The task force further concluded that a program to provide State prison inmates with access to condoms should be initiated and incrementally expanded, and should provide continued monitoring to determine the safety and acceptability of such a program.

AB 966 would establish the Prisoner Protections for Family and Community Health Act which, upon full implementation, would extend the availability of condoms to inmates at all California prisons. According to the author of AB 966, sexually transmitted disease is a reality of life in prison with the HIV/AIDS infection rate estimated to be at least eight to 10 times higher within prison than among the general population. The author indicates that AB 966 is simple and sound preventative public health policy that is evidence-based, cost effective, informed by a highly successful pilot project, and will save lives.

The Department of Public Health (DPH) indicates that AB 966 would help reduce the transmission of HIV and other sexually transmitted diseases in State prisons, thereby reducing potential future medical costs. DPH further notes that providing condoms to inmates in the CDCR prison system is consistent with the need to improve the prison health care system and overall public health.

This office and the Department of Public Health support AB 966. Therefore, unless otherwise directed by the Board, consistent with existing policies to support proposals to promote HIV/AIDS policy in State correctional and incarceration facilities consistent with accepted public health standards, and upgrade and expand HIV counseling, testing, prevention, education, outreach, care, treatment, and transitional services for prisoners living with HIV/AIDS, **the Sacramento advocates will support AB 966.**

AB 966 is supported by: the AIDS Healthcare Foundation; Alameda County Board of Supervisors; California Medical Association; Friends Committee on Legislation of California; Legal Services for Prisoners With Children; and Taxpayers for Improving Public Safety. Currently there is no registered opposition to this bill.

AB 966 is similar to AB 999 (Bonta) of 2013 which was vetoed by Governor Brown on October 12, 2013. In his veto message, the Governor indicated that current law allows family visitors to bring condoms for the purpose of the family overnight visitation program. While expansion of the program may be warranted, CDCR should evaluate and implement this expansion carefully and within its existing authority.

AB 966 is awaiting a hearing in the Senate Public Safety Committee.

AB 1435 (Gatto), which as introduced on January 6, 2014, would: 1) remove the sunset provisions of motion picture tax credits; thereby extending the tax credits indefinitely; 2) revise the limit on the aggregate amount of motion picture tax credits that may be allocated in a fiscal year; 3) revise how the credit amount is determined for specified qualified motion pictures; 4) provide that the credit amount for television series shall be 20 percent of qualified expenditures; 5) provide that the credit amounts may be increased based on a specified criteria; 6) reserve a certain, but still undetermined, amount of tax credits for television series and for specified productions that perform postproduction in the State; and 7) for taxable years beginning on or after January 1, 2014, allow a credit against tax in an amount as provided in written agreement between the California Film Commission and the taxpayer not to exceed 5 percent of an investment made by the taxpayer in a qualified film and digital media infrastructure project located in the State.

Existing law establishes a motion picture production tax credit, equal to either: 1) 20.0 percent of the qualified expenditures attributable to the production of a qualified motion picture in California; or 2) 25.0 percent of the qualified expenditures attributable to the production of a qualified motion picture that has relocated to California or is an independent film. A qualified motion picture is defined to mean a motion picture that is produced for general distribution to the public and includes feature films with budgets between \$1.0 million and \$75.0 million; a movie of the week with a minimum budget of \$500,000; a new television series with a minimum production budget of \$1.0 million; an independent film; and a television series that relocated to California. Current law defines an independent film as a motion picture with a budget between \$1.0 million and \$10.0 million that is produced by a non-publicly traded company and publicly traded companies that do not directly or indirectly own more than 25.0 percent of the producing company.

The California Film Commission (CFC) administers the motion picture production tax credit and certification program to qualified taxpayers each year through fiscal year 2016-17, on a first-come, first-served basis with 10.0 million of the tax credit allocation reserved for independent films each fiscal year. Taxpayers first apply to the CFC for a credit allocation based on the estimated project budget and upon receiving an allocation the project must be completed within 30 months. The taxpayer must provide the CFC with verification of completion and documentation of actual qualifying expenditures. The CFC issues credit certificates up to the amount of the original allocation. Unallocated amounts and any allocation amounts in excess of certified credits may be carried over and reallocated by the CFC.

In addition to the economic benefits to local communities and the creation and retention of business and jobs throughout the County, the Department of Beaches and Harbors indicates that the County also benefits when film crews (motion picture production companies) choose to film within the County and use our local amenities, in calendar year 2013 alone, the Department was able to generate approximately \$200,000 in film permit fees revenue.

The Department of Beaches and Harbors and this office support AB 1435. Therefore, unless otherwise directed by the Board, consistent with existing policy to support measures that promote economic incentives as a means of creation, attraction, and retention of business, including small business, in the County, **the Sacramento advocates will support AB 1435.**

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Support of AB 1435 is consistent with **County-supported AB 2026, Statutes of 2012**, which extended the requirement on the California Film Commission to allocate tax credits to qualifying motion pictures through fiscal year 2016-17; **County-supported AB 2747 of 2002**, which would have provided a wage-based tax credit for film, television and commercial production companies that keep at least 50 percent of production in California; and AB 359 of 1999, which would have created incentives for film makers to shoot in California by providing variations of a 10 percent tax credit of wages or labor contract.

There is currently no registered support or opposition to AB 1435; however, **County-supported AB 2026, Statutes of 2012**, was supported by: the California Chamber of Commerce; California Labor Federation; California Taxpayers Association; California Teamsters Public Affairs Council; Film Liaisons in California Statewide; Los Angeles Area Chamber of Commerce; Motion Picture Association of America; Paramount Pictures; and Valley Industry and Commerce Association, and was opposed by the American Heart Association.

AB 1435 has been referred to the Assembly Arts, Entertainment, Sports, Tourism, and Internet Media and the Assembly Revenue and Taxation Committees; and has yet to be scheduled for hearing in either of the two Assembly Committees.

We will continue to keep you advised.

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MR:VE:RM:ma

c: All Department Heads
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